

# EMPLOYEES' OLD-AGE BENEFITS INSTITUTION

## Government of Pakistan

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# EOBI - The Social Security System In Pakistan

## Article 38 (c) of the Constitution of Pakistan

“The state shall provide for all persons employed in the service of Pakistan or otherwise, social security by compulsory social insurance or other means”

### Governing Legislation:

**Employees’ Old-Age Benefits Act, 1976 (Act no XIV of 1976)**

- EOBI provides compulsory social insurance to persons in Industrial & Commercial Establishments employing 10 or more persons

# Composition of the Board

The General direction and superintendence of the affairs of the Institution vests in the Board of Trustees having a tripartite nature. Composition is as follows:

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1. Secretary OP&HRD, President of the Board of Trustees
2. Chairman, EOBI
3. Two Representatives of Federal Government, one from Ministry of Finance and one from Ministry of OP&HRD
4. Four persons to represent the Provincial Governments [one to be nominated by each of the Provincial Governments]
5. Four persons to represent Employers from each of four Provinces
6. Four persons to represent insured persons from each of four Provinces

# Country Wide EOBI Presence



EOBI Operations

B&C-I --- 13  
Regions

B&C-II --- 14  
Regions

B&C-III --- 12  
Regions

Sindh

Balochistan

Punjab

Islamabad

Khyber  
Pakhtunkhwa

Gilgit Baltistan

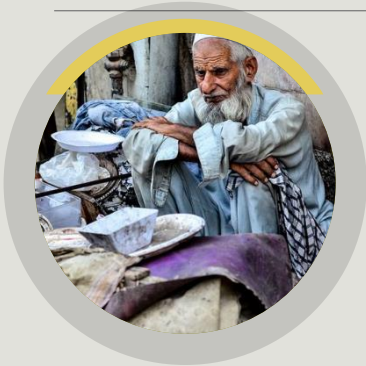
# EOBI Human Resource – At a Glance



Category	Sanctioned Strength	Working Strength	%
Officers	752	280	37%
Staff	725	378	52%
Total	1,477	658	45%

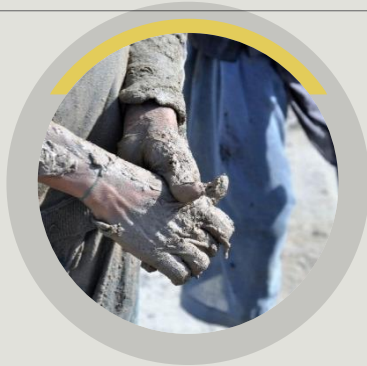


# Benefits Under EOB Act 1976



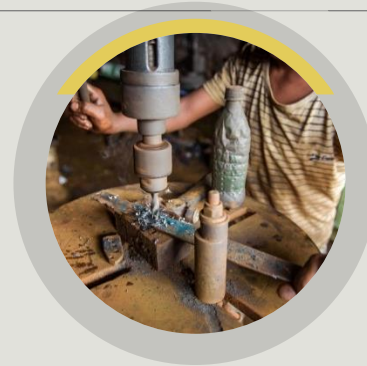
## OLD-AGE PENSION (OAP)

On attaining superannuation (60 years for male IP and 55 years for female IP/ mine worker)



## INVALIDITY PENSION

On sustaining invalidity affecting insured person's earning more than 2/3rd of normal



## SURVIVORS' PENSION

Surviving spouse pension, life long **or**

Surviving male child till 18 years of age **or**

Surviving female child till 18 years of age or her marriage, whichever earlier

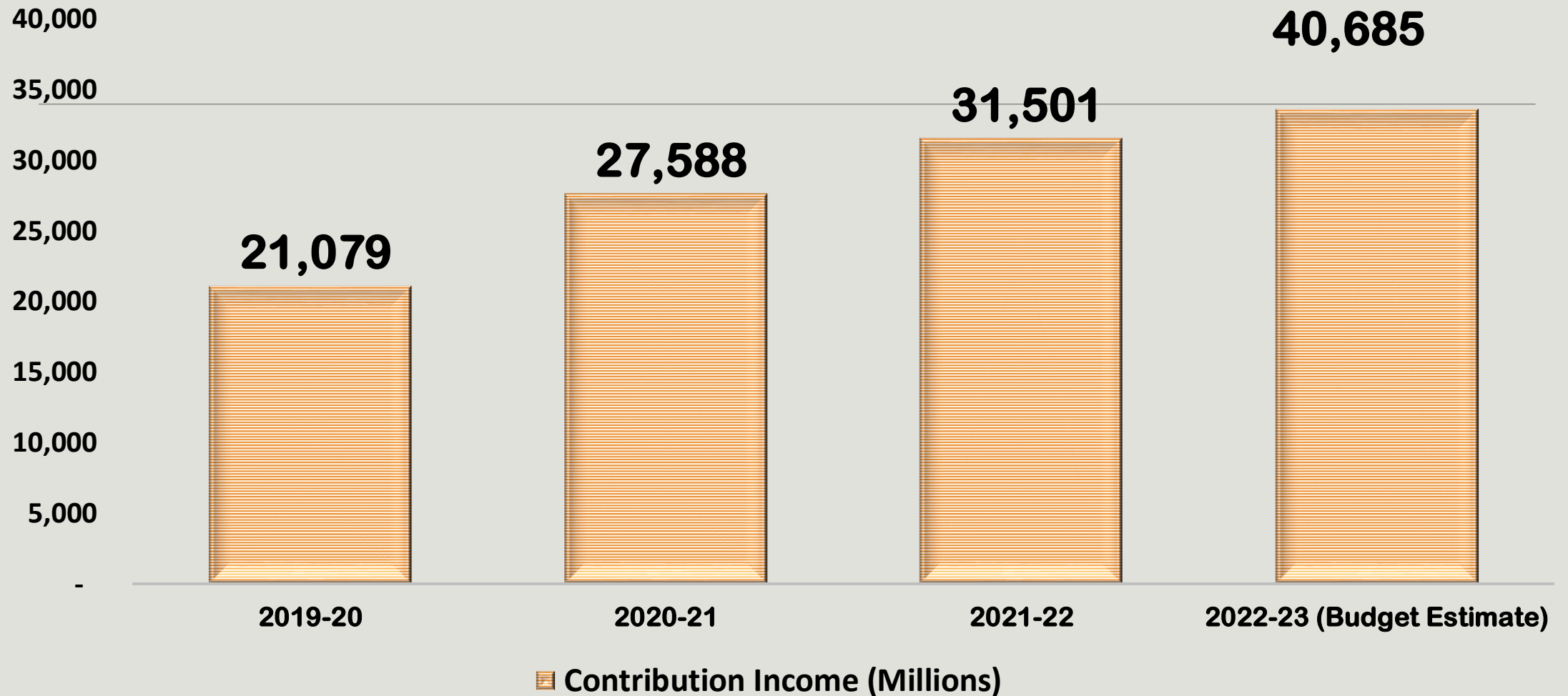
**or** Surviving parents for 5 years



## OLD-AGE GRANT

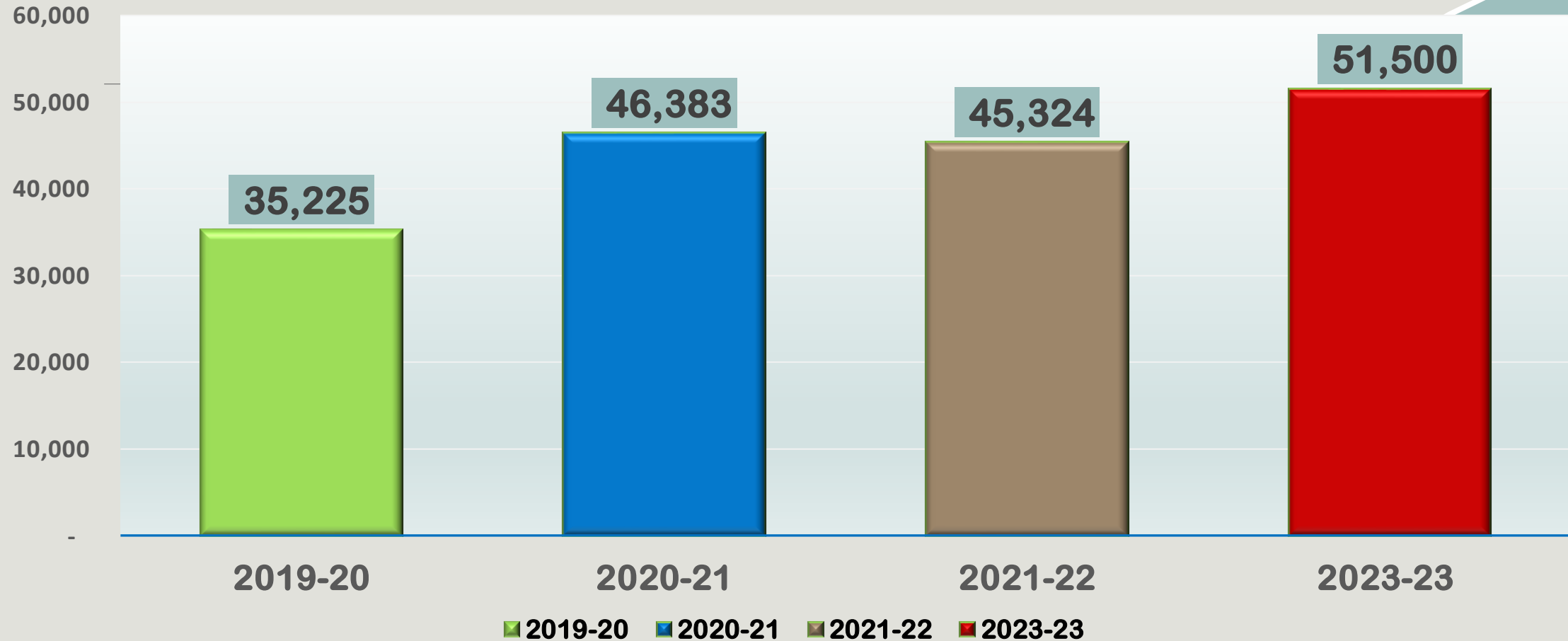
Not matching the benchmark for Old-Age Pension.

# Contribution Income [Rs. In Million]



\* Contribution Collection since 2013 Rs.198

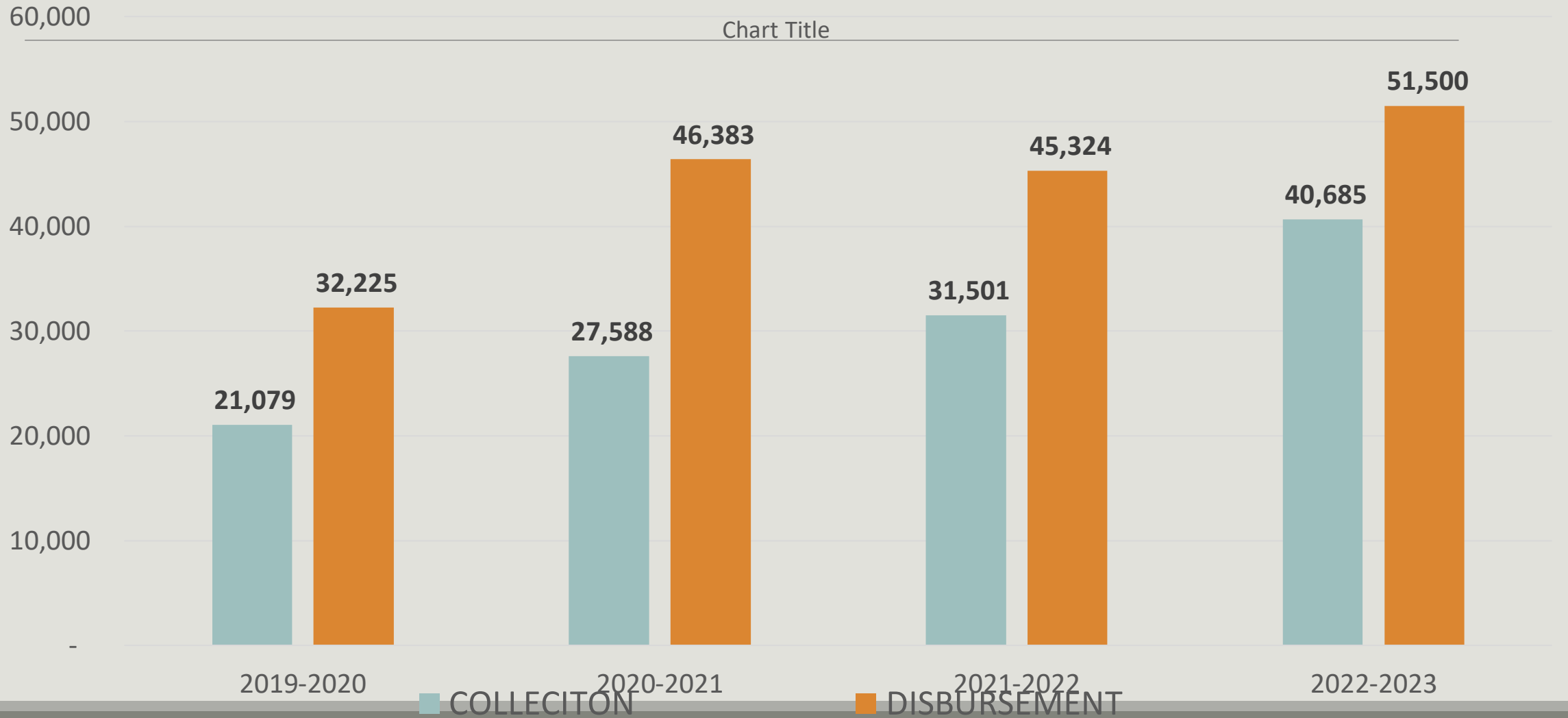
# Pension Disbursements (Rs. In Million)



**Total Beneficiaries = 757,378**



# Collection vs. disbursement



# Data Dashboard as on 31-OCT-23

<b>Employers</b>	<b>Registered</b>	<b>Active</b>	<b>Closed</b>	<b>De-Regst</b>
	<b>147,063</b>	<b>96,473</b>	<b>46,528</b>	<b>4,046</b>

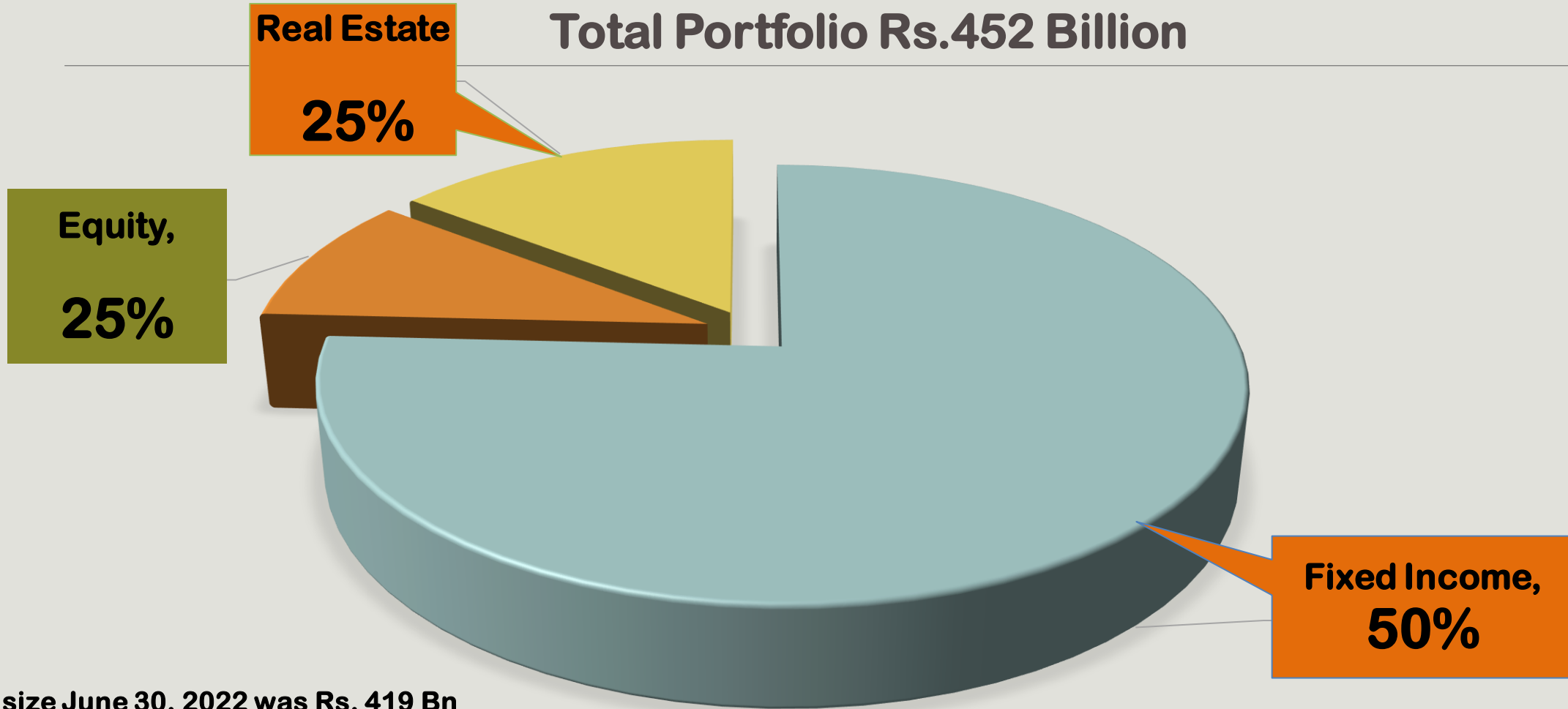
<b>Insured Persons</b>	<b>Registered</b>	<b>IPs(excl. pen)</b>
	<b>10,733,166</b>	<b>9,973,596</b>

<b>Beneficiaries</b>	<b>Old-Age</b>	<b>Survivor</b>	<b>Invalidity</b>
	<b>483,658</b>	<b>260,452</b>	<b>13,268</b>

**Total** **757,378**

# EOBI's Funds

Total Portfolio Rs.452 Billion



Fund size June 30, 2022 was Rs. 419 Bn  
June 30, 2023 is 452 million

# Post-Devolution Scenario

- **After abolition of Concurrent List, both Sindh and Punjab desired to have their own EOBI Institutions whereas other provinces resisted**
- **Social Security in overwhelming countries of the World is handled at central / Federal level due to its administrative dynamics**
- **Some Complications faced by EOBI are:**
  - **Many Employers otherwise resisting payments @ minimum wages took plea that Federal Government cannot announce minimum wage as per 1976 ACT**
  - **It increased litigation in almost all provinces leading to decrease in contribution**
  - **More importantly it impacts registration of IPs or disrupts their regular payments which in terms impacts their pension calculations**

# Exemptions – Employees

Director of a limited company or corporation set up under any law  
Persons employed in the followings:

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State bodies, including defense & police forces and railways

- i. Local councils, municipal committees, cantonment boards and other local authorities
- ii. Establishments related to the defense forces or the railways, including ordinance factories
- iii. The Water and Power Development Authority
- iv. Statutory bodies, other than factories or mines
- v. Employer's family Members i.e., Husband, wife & dependent children living in his house and work for him
- vi. \* Agriculture \*\* commercial banks



# Mine Workers - Issues

- Law and Order situation.
- Majority of workers engaged in mining sector do not have CNICs
- Approx. 50% mines workers are Afghan Nationals in Baluchistan
- Most of the laborers are on daily basis and the employment turn over ratio is also high.
- The workers employed at Mining or Piece Rate workers, who hardly work for a complete month at a mine. Dropout rate of workers is also very high so it is very difficult to calculate their actual number of days.
- Mining is an informal and small scale sector even some of the mines do not have their proper office that is why, it is difficult to meet the formalities of EOBI, i.e. payment of regular contribution, maintenance of record and submission of annual returns and usage of FS.



# Registrations & Contribution collection of Mine Workers



Province	Registered Mines	Registered Workers	Pensioners	Monthly Contribution (Rs. in millions)
Punjab	247	16,811	10,519	12.12
Sindh	47	17,956	1,733	3.84
KPK	79	1,240	60	0.159
Baluchistan	148	7,619	1,920	5.09
Islamabad	0	0	0	0
Gilgit	0	0	0	0
<b>Total</b>	<b>521</b>	<b>43,626</b>	<b>14,232</b>	<b>21.212</b>

# Hassle-free Services for Employers & Employees

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- **Online Employees' Data Submission**
- **Online Voucher generation for accurate contributions**
- **Online Employer Registration**
- **Pension Disbursement through ATM card**
- **Bed-ridden Biometric at their door step through Bank's representatives.**
- **Free of Cost Invalidity Assessment Medical Board**
- **Individual Employee's Ledger**



